



Tourism & Events Department  
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**To:** Tourism Development Commission

**From:** Karen Churchard, Director

**Date:** March 20, 2018

**Subject:** Canal Convergence – November 2018

Last April 2017, the Tourism Development Commission (TDC) unanimously approved by the quorum present (7-0) that City Council authorize a FY 2017/18 Tourism Development Fund operating contingency transfer in the amount of \$650,000 to support the 2018 Canal Convergence events and its move from Spring to a shoulder-season event in November 2018 and annually thereafter. This recommendation was based on the Tourism Strategic Plan adopted by City Council that outlined the importance of creating a destination event during the tourism industry's shoulder season. City Council unanimously approved the recommendation and funding at its June 27, 2017 meeting.

The approved \$650,000 funding covered expenses for temporary public art pieces, the upcoming 4-day Canal Convergence (Feb. 23-24 and Mar. 2-3), and an advance of \$150,000 to seed an International artist for the November 2018 event. No other funding for the 10-day November 2018 was proposed at that time (Table 1).

**Table 1. Approved Funding Expenditures**

Item	Event Date	FY 2017/18
Temporary Art Installation - Canal	Nov 2017-Mar 2018	\$100,000
Temporary Art Installation - Holiday	Nov-Dec 2017	\$60,000
Canal Convergence – 4 days	Two weekends Feb/Mar 2018	\$340,000
Contract w/ International Artist(s) for November 2018 Canal Convergence	November 9-18, 2019	\$150,000
		<b>\$650,000</b>

In discussions between the Public Art Director and Tourism & Events Director, it has become apparent that expenditures for the November 2018 event need to be covered during the current FY 2017/18 year in the amount of \$240,000, including funds for a one-time cost of waterfront infrastructure to support ongoing art installations above the canal (Table 2).

**Table 2. New Request for November 2018 Expenditures – Current FY 2017/18**

<b>Item</b>	<b>Event Date</b>	<b>FY 2017/18</b>
Additional Artists Fees	November 2018	\$90,000
Admin, Marketing, Operations	November 2018	\$38,000
Waterfront Infrastructure	One time improvement	\$112,000
		<b>\$240,000</b>

In budget discussions with the Treasurer’s Office, it was suggested that staff include an amount for the November 2018 Canal Convergence. The amount of \$750,000 was added to the Out-of-Budget request in January 2018.

**Table 3. Out-of-Budget Request for FY 2018/19 Operating Budget**

<b>Item</b>	<b>Event Date</b>	<b>FY 2017/18</b>
Temporary Art Installation - Canal	Nov 2018 – Mar 2019	\$0
Temporary Art Installation - Holiday	Nov-Dec 2018	\$0
Canal Convergence – 10 days	Nov. 9-18, 2018	\$600,000
Contract w/ International Artist(s) for November 2019 Canal Convergence	November 8-17, 2019	\$150,000
		<b>\$750,000</b>

If the FY 2017/18 and Out-of-Budget requests are approved, the total budget from the City of Scottsdale specific to the November 2018 Canal Convergence would be \$990,000. An additional \$228,000 in expenses will be covered by Scottsdale Public Art through sponsorships, grants and on-site sales.

Based on the above analysis, staff is requesting two items be considered by the TDC and recommended to City Council:

1. A FY 2017/18 Tourism Development Fund operating contingency transfer in the amount of \$240,000 to the Tourism and Events Department operating budget for November 2018 Canal Convergence expenditures that need to be made prior to June 30, 2018.
2. Recommend the Out-of-Budget request of \$750,000 for FY 2018/19 Operating Budget.